

Approved For Release

CAMERAL ERA
01 of 01

2009/08/14 : [REDACTED]

CIA-RDP85T00875R001500020

Approved For Release

2009/08/14 : [REDACTED]

CIA-RDP85T00875R001500020

Secret

Doc/Sec



DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

Sweden Enters the Unicameral Era

DSB FILE COPY
RETURN TO 1E-01

DOCUMENT SERVICES BRANCH

DO NOT DESTROY

Secret

N2 666

18 September 1970
No. 0388/70A

Page Denied

CONFIDENTIAL

SWEDEN ENTERS THE UNICAMERAL ERA

After 16 years of controversy and compromise, the Swedes are about to abandon more than a century of bicameral legislative rule and enter the brave new world of unicameralism. As if to make the transition more exciting, some of the political parties have changed leaders since the last election in 1968, while others are bubbling with internal discontent following abortive attempts to dump their chairmen. The burden of managing the reform has fallen to the Social Democrats, in power for 38 years but under the leadership of Prime Minister Olof Palme for a little less than one year. Political polls forecast little change in the existing balance of power, but with the rules of the game almost entirely rewritten, no political observer is willing to leave any bets unhedged.

On 20 September more than 5.6 million Swedes will be able to take part in an historic election to choose the 350 members of the nation's first unicameral parliament. At the same time they will pass judgment on nearly a year of Social Democratic government under the leadership of the controversial Olof Palme. The voters will thereby signify whether they are willing to grant his party the opportunity to celebrate 40 continuous years in office in 1972. Political observers are inclined to believe that Palme and his party will be returned to power, but they are cautious in their forecasts because of their ignorance of how the new electoral system will work.

The Old and the New Systems

Under the old system the 233-seat Second Chamber (lower house) was elected every four years, most recently in 1968, with each party gaining representation on a strict proportional basis within each of the nation's 28 electoral districts. The 151-seat First Chamber (upper house) was chosen by provincial and local councils, one eighth of its membership coming up for election each year. During most of the postwar period, the balance of power between the Social

Democrats on the one hand and the three bourgeois parties—the Conservatives,* the Center, and the Liberals**—on the other has been fairly even. Only in 1968 did the Social Democrats gain a clear majority in the lower house, but this was wholly attributable to the national sense of shock at the Soviet invasion of Czechoslovakia less than a month earlier and a desire to avoid experiments in a critical time. Under the skilled leadership of Tage Erlander, the Social Democrats did not need a majority of the lower house to rule, because the prolonged squabbling among the bourgeois parties prevented the formation of a cohesive non-socialist coalition. At times the Social Democrats were able to lure the Center Party into coalition with them; at other times they were able to operate with the silent support of the Communists*** under the thoroughly revisionist leadership of Carl-Henrik Ivarsson. In addition, Social Democratic control of a disproportionate number of provincial and local councils meant that the party was usually overrepresented in the upper house, and in the postwar years it enjoyed an uninterrupted majority over all the other parties. Because of the bicameral system's rule that both chambers act jointly in "economic questions," the Social Democrats could usually

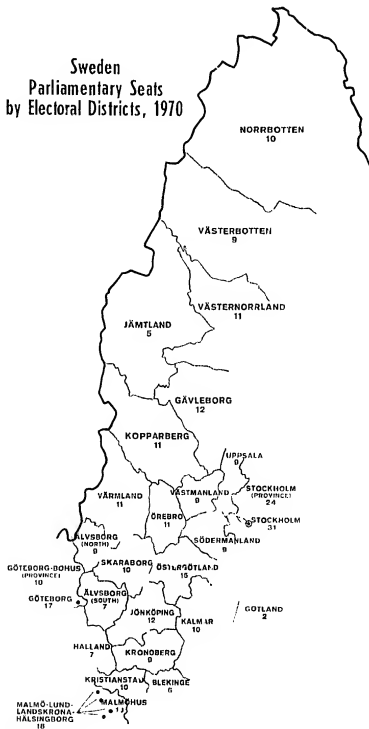
*Literally, the Moderate Coalition Party

**Literally, the People's Party

***Literally, the Left Party-Communists

CONFIDENTIAL

CONFIDENTIAL

Sweden
Parliamentary Seats
by Electoral Districts, 1970

99169 9-70

CONFIDENTIAL

CONFIDENTIAL

act as a majority government regardless of the fact that they might have only a plurality in the lower house.

Under the new system, the 350-seat parliament will be elected every three years, and the voting age will be lowered from 20 to 19. Parties will gain representation on a proportional basis within all of the nation's 28 electoral districts if they win at least 4 percent of the total national vote. Those parties that receive less than 4 percent of the national vote but more than 12 percent in one electoral district, however, may receive their proportionate number of seats in that district. Of the 350 seats, 310 will be distributed among the 28 election districts and 40 will be considered as having the whole nation as their constituency. Unlike members of the lower house in the old system, members of parliament from specific election districts will no longer have to be resident in their districts. Furthermore, the number of representatives per district will be decided according to the number of persons eligible

to vote in each district instead of the district's total population, as was the case in the old system. If the 1968 lower house elections had been held according to the new system, the Social Democrats would have received 184 seats and the bourgeois parties 166, (Conservatives 51, Center 61, Liberals 55), a closer balance than was achieved under the old system. The Communists, with only three percent of the total national vote and less than 12 percent in any single district, would have been shut out altogether.

Complicating the picture further in comparing the old and new electoral systems is the fact that henceforth, parliamentary, provincial, and local elections will be held simultaneously. Previously provincial and local elections were held midway through the parliamentary term, and as Sweden had no parliamentary by-elections, these served as a fairly reliable index of the state of voter opinion. Even so, certain distortions crept in, as voters tended to make up their minds on the basis of the appeal of local personalities and

Composition of Lower House 1968-1970



99970 9-70

CONFIDENTIAL

CONFIDENTIAL

25X6

compelling everyday issues unrelated to ideological considerations. For these reasons skillful splinter parties could from time to time eke out isolated marginal victories. In national elections the voters tended to adhere to their traditional ideological loyalties, regardless of the personalities or issues involved. The ultimate effect that simultaneous, across-the-board elections will have on the outcome of the national elections cannot be foreseen.

The Swedish election commission may have been somewhat relieved to learn that at least one part of its added responsibilities in administering the new system could be postponed. The original intention of the law was to introduce machine voting to replace paper ballots in 1970. Late in 1969, however, the Facit company, an internationally known Swedish business machines concern, announced that it could not possibly come up in time with a device comprehensive enough to handle the large number of options available to the voter and also simple enough for him to operate. Therefore, the commission prepared hundreds of thousands of yellow ballots for parliamentary contests, blue ballots for provincial states, and white ballots for local contests. Yet when delivery was made to local polling places in early August, the ballots of the different parties were mixed together in some localities, while correctly labeled and packaged ballots were sent to the wrong districts. One Stockholm newspaper commented half-ironically that "this election could well become really exciting."

Developments within the Political Parties, 1968-1970

Many of the principal players, as well as the rules of the game, have been changed since the last election. Outstanding in this respect was the departure in October 1969 of the widely respected Tage Erlander from the positions of Social Democratic party chairman and prime minister, after nearly a quarter of a century in both jobs. His successor in these positions was Olof Palme, then only 42 years old, but with 15 years' experience as Erlander's right-hand man and as a

skillful political controversialist with a sharp instinct for the jugular.

Even within his party there is a certain uneasiness. Despite his unanimous election as party chairman, there was some concern expressed sotto voce that while Palme had displayed a consistent tendency to espouse fashionable causes with remarkable ease and alacrity, no one really could say where he actually stood. After he became prime minister, the national press editorialized that never before in Swedish history had a man whose principles were so little known entered such high office.

25X6

Until 1964 Palme preferred to play a behind-the-scenes role in policy matters. As a result of radio and television debates in the parliamentary election campaign that year, however, he came to be regarded as a key party spokesman. The following year the expansion of the American military effort in Vietnam provided Palme with a perfect issue to attract the support of the young radicals, both in the party and on its fringes. In July 1965 he assailed US policies in Southeast Asia, condemning "the use of military means against the demands for social justice." In 1966 he called on the United States to end the bombing in Vietnam and recognize the National Liberation Front. In 1968 he took part in a mass march protesting the war, accompanied by American deserters and North Vietnamese diplomats, and at this point Washington called its ambassador home for extended "consultations."

Despite the official American reaction, the leadership in the party and government backed Palme's actions, as there was no question of his success in winning support among heretofore

CONFIDENTIAL

CONFIDENTIAL

uncommitted segments of the electorate. Besides, the party had grown concerned that its own left wing would succumb in the 1968 elections to the very attractive revisionist siren song of the Communists under Hermansson. Ironically, the Soviet invasion of Czechoslovakia put an end to any appeal Hermansson and his party may have had, and the disaffected trooped back into the Social Democratic ranks in record numbers.

Following the Social Democratic victory in the 1968 elections and Palme's election to high party and national office a year later, the Swedish leadership decided that the time had come to cultivate an image of reason and responsibility. Palme monopolized the radio and television broadcast schedules explaining himself and his ideas, demonstrating that he was indeed not the devil incarnate. In the spring of 1970 he traveled to Bonn, London, and Paris to introduce himself and explain how a neutral Sweden would fit into an enlarged European Community. Following these trips, which received considerable favorable publicity in Sweden, Palme attempted to repair his relations with the United States. Encouraged by the arrival of a new American ambassador to fill the Stockholm post that had been vacant for 15 months, Palme arranged a private trip to the US, ostensibly to receive an honorary degree at his American alma mater, Kenyon College, but actually to make unofficial contact with American political leaders. Despite a long conversation with Secretary of State Rogers, Palme was received coolly in Washington. After some criticism at home that he was neither making any breakthroughs nor adhering to his self-professed attitude of independent criticism of the transgressions of great powers, Palme became a little more forthright in describing the Swedish official attitude, thereby satisfying his domestic critics to some extent. The trip to the United States was followed almost immediately by a journey to Moscow, where Palme attempted to persuade the Soviets of the importance of Swedish entry into an enlarged European Community. Although the Soviets were willing to lavish kind words on Swedish neutrality, they remained unmoved in their opposition to "closed blocs."

Within a few months after the departure of Tage Erlander from the leadership of the Social Democratic Party, the Liberal Party replaced its leader, Sven Weden, in office for only three years, with Gunnar Helen, a prominent party figure who had been on the sidelines since the mid-1960s because of illness. Helen took over a deeply divided party whose leadership was anxious to draw closer to the other bourgeois parties while its youth organization sought to radicalize the party. After doing quite well in the 1966 provincial and local elections, the liberals suffered a sharp setback in 1968 because of this division. The party believed that Helen, with his skill as a political debater and conciliator, could improve its fortunes.

Helen went about his repair work cautiously, and by the end of 1969 he could point to rising confidence among the membership in his abilities as a leader and to renewed efforts to patch up differences with the other bourgeois parties, notably with the Center Party led by Gunnar Hedlund. As a concession to the youth wing of the party, he encouraged internal debate, raised several junior members to higher positions of responsibility, and perhaps most important of all, announced the party's intention to stop receiving contributions from business and industrial circles.

In contrast to the relatively secure financial position of the Liberals, the Conservatives underwent a severe financial crisis in the fall of 1969, and there was considerable sentiment to dump party leader Yngve Holmberg, in office only since 1965. Many of the party's more conservative circles in the south and west had resented the change of the Swedish name of their organization from "the Right Party" to the characterless "Moderate Coalition Party," and the news that Holmberg had nearly bankrupted the party in the 1968 elections was a little too much for them to bear. Using the tactic that the best defense is a strong offense, Holmberg succeeded in getting re-elected as party chairman, but even so, nearly a year after the last congress, roughly one third of the Conservative members still persist in their belief that he is not doing a good job.

CONFIDENTIAL

CONFIDENTIAL

Under the leadership of Gunnar Hedlund, now in his third decade as party chairman, the Center Party has pursued a serene course. After its experience in coalition with the Social Democrats from 1951 to 1957, the Center decided that its political future lay in de-emphasizing its identification with agrarian interests and in promoting cooperation with the other bourgeois parties in order to develop a viable alternative to socialist rule. Taking a leaf from the Norwegian experience in 1965 and the Danish experience in 1968, the Center Party initiated joint discussions with the other bourgeois parties on parliamentary tactics, policy coordination, and election techniques. Particularly close ties were formed with the Liberals, the two parties being commonly lumped together as the "Middle Parties," and there has been some speculation that the eventual aim is a merger of the two. During Sven Weden's chairmanship of the Liberal Party, cooperative efforts were toned down somewhat, but the Social Democrats' success in exploiting bourgeois differences in the 1968 elections pointed up to the Center the need for a resumption of closer cooperation.

Hedlund, even while pursuing this course, has not forgotten to leave other doors open. His relations with Erlander were particularly friendly, and while his regard for Palme is somewhat more qualified, he has not forgotten the advantages derived from coalition with the Socialists. He therefore has not been as sharp as his bourgeois colleagues in criticizing the government's policies and programs. The Center Party is swift to advance compromises on given issues in parliament, and since the departure of Erlander and Bertil Ohlin, a prominent Liberal politician, Hedlund has assumed the mantle of the leading active elder statesman of the nation.

The situation in the Communist Party has been stormier. Party chairman Carl-Henrik Hermansson came into office in 1964 as the leader of the modernizing, reformist segment of the party. His revisionist policies, to the great dissatisfaction of both old-line party stalwarts centered in the far north, and Maoist activists in Goteborg and

Stockholm, had succeeded in attracting votes in the 1964 and 1966 electoral contests. Hermansson advocated democratization of the economy and completion of the welfare state, using the peaceful means suitable for Swedish conditions and independent of direction from Moscow. All this success came to naught in 1968, however, when the voters deserted the party in droves after the Soviet invasion of Czechoslovakia, despite Hermansson's explicit condemnation of the act and his call for a break in Swedish relations with Moscow. The party conservatives in the north took the opportunity to express their support for international Communist solidarity and condemned Hermansson's policies as bankrupt. By late 1969, the northerners could muster enough strength at the party congress to return some of their men to leadership positions and modify some party policies, but not enough to topple Hermansson.

Once the congress was over, the Communists found themselves under attack from a new quarter. The Maoist fringe decided to form a completely separate political party, the Communist League of Marxist-Leninists (KFML), to struggle for an armed revolution and against the revisionist policies of the "bankrupt Hermansson clique." At a time when the Communist Party is attempting to pull itself together to attract enough votes to cross the 4-percent threshold, the KFML has succeeded in drawing away up to 10 percent of the party's potential supporters.

The Campaign

Following their congresses in late 1969 and early 1970, the parties began to reduce their lengthy programs to election manifestoes and catchy slogans. The Social Democrats seized on "Increased Equality" and "The Strong Society," the Center advocated "Equality" and "Decentralization," the Liberals called for "Grass-Roots Democracy" and "A More Humane Society," and the Conservatives announced, for "Cooperation-Justice-Responsibility." The Communists were more specific, calling for lower prices and taxes,

CONFIDENTIAL

CONFIDENTIAL



Apropos the ideological differences between the democratic parties

(S—Social Democrats FP—Liberals
C—Center M—Conservatives)

changes in collective bargaining procedures, and international solidarity with oppressed peoples. Closer inspection of the positions of the non-Communist parties revealed that there was little to distinguish one from the other. The various party leaders were not eager to clarify their positions in an election campaign before the adjournment of the old parliament in June. Furthermore, in order to preserve the sacrosanct, month-long July holiday, the political parties agreed to restrict the election campaign to a mere 30 days, beginning in mid-August.

Such an agreement did not rule out extensive press interviews and articles detailing the different party positions. The Social Democrats were particularly concerned at the lack of response to their platform. Their proposal to place government representatives on the boards of directors of major banks and industrial firms had been accepted calmly by the bourgeois parties, reassured by a generation of close cooperation between big business and Social Democracy. Their advocacy of a tax reform granting greater relief to low-income persons also had been received positively

by the bourgeois parties. In fact the bourgeois parties were ready to accept nearly every reform suggested by the Social Democrats, because in their opinion the big issue was not the need for innovations but the need to put Sweden's economic house in order.

The Swedish economy has been showing all the traditional signs of overheating since late 1969. There is a serious labor shortage. Factories are producing at or above normal capacity and are unable to fill orders. Wages are rising at a rapid rate, and the concomitant rise of consumer demand is reflected in the rapid increase in imports, worsening Sweden's traditional negative balance of trade and leading the country into a serious balance of payments situation. By the summer of 1969, the consumer price index was rising at an annual rate of 8 percent; food products led the way with a 10 percent increase, and there were constant rumors that the Swedish krona (5.18 Swedish kronor equal one US dollar) would be devalued to give a boost to Swedish exports, make imports more expensive, and cool off the economy.

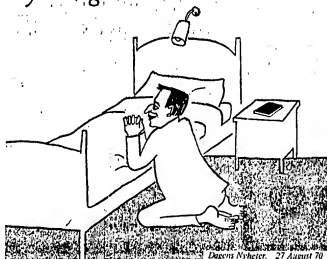
The government has been reluctant to take any stern measures to control the boom by increasing Sweden's already high taxes, fearing that the public reaction to such an unpopular step would find expression in the 1970 elections. Instead, a harsh program of credit restrictions was instituted, leading to a substantial downturn in construction activity including housing, and the rate of industrial capital expansion. Soon thereafter rents in the already-tight housing market began skyrocketing. The bourgeois parties have demanded that effective steps be taken to bring the economy under control, at the same time attacking the government's recent and proposed steps for nationalizing additional sectors of the economy as undermining foreign confidence in Sweden. They have also deplored the spread of the official economic bureaucracy as an obstacle to the development of the market economy and free competition.

CONFIDENTIAL

CONFIDENTIAL

The Social Democrats retorted that the people had never had it so good—wages were at all time highs, unemployment was virtually nonexistent, social welfare benefits were greatly expanded, and so on. To protect these gains the trade unions insistently reminded their members of their duty to vote socialist. The party even resorted to raising the specter of economic collapse if the bourgeois parties were to come to power. Palme consistently harped on the theme that although the three parties were free in their criticism of the Social Democrats, they failed to publish an alternative program that would come into effect in the event of their victory. The Center and Liberal parties replied that their joint program worked out in May was sufficient basis for a nonsocialist government, and if the Conservatives were unwilling to subscribe to it, the two parties could form a minority government, confident of receiving Conservative acquiescence in parliament. In addition, there was adequate precedent in Norway and Denmark for not publishing an all-bourgeois program before the election outcome.

This debate, replete with minor points scored on each side, was not sufficient to stimulate public attention. It was at this point that the Social Democrats' political experience came to the rescue. First, they obtained the galley proofs of a book by Gosta Bohman, a leading Conservative, that heatedly attacked Palme for his use of foreign policy questions, particularly Vietnam, for internal political purposes. Palme ripped several extensive passages out of context to demonstrate that this was really a veiled Conservative attack on Swedish neutrality. Alarmed, Gunnar Hedlund of the Center Party called for further clarifications from Bohman and defended the official concept of Swedish neutrality. Liberal leader Gunnar Helen was swift to announce that no Conservative would serve as prime minister or foreign minister in any bourgeois coalition, thus opening the same Pandora's box that contributed to the bourgeois defeat in 1968. Palme, delighted at this crack in the unified bourgeois facade, swiftly exploited the underlying lack of confi-

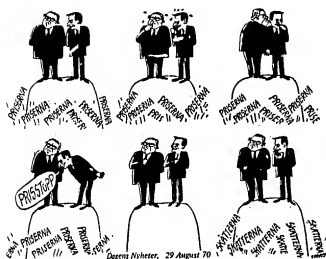


Olof Palme: "and thank you for Gosta Bohman's book and Gunnar Helen's statement on the posts of prime minister and foreign minister."

dence between the middle parties and the right. Even the Conservatives momentarily shed the fig leaf covering their divisions. Party leader Yngve Holmberg first announced that the book contained only Bohman's personal opinions, but after hurried consultations, corrected himself several days later to say that the party backed the substance of Bohman's argument. The Social Democrats, having already written off the Conservatives as a feeble political opponent, did not choose to exploit their embarrassment.

Shortly thereafter, the Social Democrats turned the argument about rising prices to their advantage. They had been very concerned about the popularity of the opposition's main issue and were aware that the same issue had beaten the ostensibly leading British Labor Party several months earlier. When the national price and wages commission submitted an emergency report that the economy was about to endure a siege of sharply increased prices, Finance Minister and Social Democratic Party elder Gunnar Strang, as

CONFIDENTIAL



Finance Minister Strang and Prime Minister Palme

(priserna—prices pristopp—price freeze skatterna—taxes)

well as other leading socialist economists, decided to reverse themselves and persuaded the government to impose an immediate price freeze on certain basic food products.

The opposition questioned whether this departure from 14 years' reliance on the forces of free competition was legal. According to the 1957 Exceptional Powers Law, under whose terms the price freeze was enforced, such steps could be taken only in case of war, danger of war, or "other causes leading to serious increases in the general price level." If the government were to establish that it had used its powers legally, then the economic situation was far worse than the government had led the people to believe earlier. Otherwise the government seemed to be resorting to its exceptional powers just to perpetuate itself in office. Unfortunately for the opposition, the popular reaction was not to criticize the Social Democrats for the means they used to cope with their own mismanagement, but to express gratitude for relief in a time of galloping inflation. The Social Democrats, meanwhile, advertised themselves as resolute and experienced in times of

crisis, while Strang, who was responsible for the crisis more than any other individual, received bouquets of roses wherever he went.

Political Trends and Possible Outcome

If the old electoral system were still in effect, one could predict with reasonable certainty that the Social Democrats would be returned to power, though probably with a minority of seats, to rule with the silent support of the Communists. Under the new system, however, there are many imponderables. Such minor parties as the Progressive Party, the Christian Democratic Party, and the Communist League of Marxist-Leninists have no chance to pass either the 4-percent or 12-percent thresholds, and it seems likely that the Communist Party will also be excluded. Yet all the splinter groups could between them pull down as much as 6 percent of the total vote, making it possible for the bourgeois parties to capture control of parliament with only 47 percent, a not impossible achievement in the light of the most recent polls.

SUPPORT (BY PERCENT) OF POLITICAL PARTIES, 1968 - 1970

Party	Parliamentary Elections 7/68	Opinion Poll 9/69	Opinion Poll 8/70
Social Democratic Party	50.1	54.0	49.3
Center Party	16.1	18.0	17.7
Liberal Party	15.0	13.5	16.2
Conservative Party	3.9	11.5	11.0
Communist Party	1.0	2.0	2.4
Christian Democratic Party	1.5	1.0	2.6
Other	0.4	—	0.8
	100.0	100.0	100.0

An additional problem facing the Social Democrats is the bourgeois insistence that a socialist victory is in the bag. Obviously the three parties hope to be so persuasive that bourgeois voters will come out in force to support them, while overconfident Social Democratic voters will stay at home. Furthermore, the impact of the

CONFIDENTIAL

CONFIDENTIAL

large number of first-time voters on the outcome is an unknown, as they tend not to have any party identification and do not turn out at the polls in such large percentages as the older voters. The addition of local and provincial contests to the national elections has also stimulated the growth of ad hoc political coalitions and greater stress on individuals than on ideology. Compounding all these uncertainties is the fact that the complicated system for deciding which man won which seat may delay the announcement of the final outcome for some 10 days after the polls have closed.

There is no doubt that the transition to a directly elected unicameral parliament will make Swedish politics more exciting and more dramatic in the 1970s than ever before. Aside from the elections themselves, the shorter, three-year term of office means that governments will be constantly campaigning for public support, while the more even balance between the socialist and bourgeois parties will probably encourage efforts to bring down the government by votes of confidence and other parliamentary devices.

For all the uncertainties about the outcome and the shape of future Swedish politics, it would seem that Olof Palme has the best chance to continue in power, though as the head of a minority government. This does not rule out a revived coalition between the Social Democrats and Center, but there is serious question whether Gunnar Hedlund could agree to accept Palme's leadership. If the bourgeois parties were to be the victors, a three-party coalition led by Hedlund would probably take shape, though recalcitrants within the middle parties might force a center-liberal minority government, dependent on Conservative sympathy.

Whoever wins, there will be little freedom of movement for striking new policy initiatives. All

four parties are unanimous on the central foreign and security policy questions. Despite their differences in the election campaign on economic issues, the four parties are in fundamental agreement in this area, too. Thus, for example, there is little likelihood of change in the nine-to-one ratio of private to state and cooperative enterprise. The four parties also agree on the broad lines of labor market and social welfare policies. Only in nuances and minor details would one be able to distinguish a post-1970 Social Democratic government from a future bourgeois coalition.

As for personalities, not much is known about the likely cabinet makeup in a post-1970 bourgeois government. On the other hand, a post-1970 Social Democratic government would probably approximate its immediate predecessor. Palme is a subscriber to Erlander's policy of gradual renewal of the cabinet, rather than complete shakeups. There has already been a hint that Commerce Minister Gunnar Lange will retire later in 1970, and Finance Minister Gunnar Strang and "Disarmament" Minister Alva Myrdal may retire within a few years after the election. There are also one or two other cabinet members whose future is uncertain, but they do not occupy major posts.

The end result of the reforms is to inject new life into the Swedish parliamentary system, anesthetized by years of one-party dominance. If a party shift occurs, there will also be an automatic rejuvenation of the losing party and an increased sensitivity to political considerations within the government bureaucracy. Should the reforms prove successful in Sweden, the traditional pacesetter in the Nordic area, there is even the possibility that similar changes will be introduced into neighboring Denmark, Norway, Finland, and even more remote Iceland.

* * *

25X1

25X1

CONFIDENTIAL